



November 12, 2010

Governor Chris Gregoire  
Office of the Governor  
P.O. Box 40002  
Olympia, WA 98504-0002

Dear Governor Gregoire:

The Puget Sound Health Alliance is pleased to present this updated report with our recommendations for decreasing waste in health care and creating value in Washington State, in light of the state's budget deficit and the passage of federal health care reform. This report builds upon our health care reform report completed and delivered to you in November 2009. As with our first report, this report was prepared by a workgroup comprised of health industry policy and public health experts.

Despite the fiscal challenges, this is an unprecedented time for Washington State to be bold in its health policy. Federal health care reform has created an extraordinary opportunity and the tools to transform our health care system into an efficient, integrated, and patient-centered health care system that prioritizes prevention, and creates the greatest value for its citizens by improving access, quality, and affordability of care. The goal of our updated recommendations is to maximize health reform opportunities and prioritize strategies that yield savings; these in turn can be invested over time in high value services.

The workgroup is very committed to helping you and the state transform our health care system and achieving the best possible health outcomes for all residents. We welcome the opportunity for further dialogue and look forward to working with you and your staff and helping our state remain a national leader on health care.

Sincerely,

A handwritten signature in blue ink that reads "Mary McWilliams".

Mary McWilliams  
Executive Director  
Puget Sound Health Alliance

A handwritten signature in blue ink that reads "David Fleming".

David Fleming, MD  
Chair, Governor's Advisory Work Group  
on Health Care Reform & Board member,  
Puget Sound Health Alliance and  
Director & Health Officer,  
Public Health – Seattle & King County

on behalf of work group members:

Dr. Robert Crittenden, Harborview Medical Center  
Tom Curry, Washington State Medical Association  
Steve Hill, Washington State Health Care Authority  
Mary Looker, Washington Association of Community and Migrant Health Centers  
Pam MacEwan, Group Health Cooperative  
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**Report from Governor's Workgroup  
on Health Care Reform**

**November 12, 2010**

## Introduction and Goals of the Report

The Patient Protection and Affordable Care Act (ACA) provides the framework for improving access to and quality of care, while encouraging innovation across the health care system. At the same time, the recession is taking a growing toll on the State's budget, compounded by the repeal of certain taxes and constraints on raising new revenues, to the point where serious reductions have to be made in the State's expenditures.

The challenge facing Washington State now is how to maximize the opportunities presented by the ACA, while minimizing the limitations associated with the State's budgetary reality. Among the challenges to be addressed are how to increase access to care, drive rapid system improvements in quality and affordability, create a system that prioritizes prevention, and promote the overall health of the State's citizens.

This difficult and complex environment provides a unique opportunity to consider how the State can use the tools afforded by ACA to redesign Washington State's health care system in a way that creates the greatest value for its citizens by improving access, quality and affordability of care, while elevating prevention of disease as a goal. The current fiscal crisis can and should drive innovations that will fundamentally transform the system for the better. As an early adopter of innovations, the State can lead the way for the private sector in encouraging the development of an efficient, integrated and patient-centered health care system.

Per Governor Gregoire's request, this report builds upon the recommendations made by the Governor's Advisory Workgroup on Health Care Reform in November 2009. The goal of this second report is to make specific, clear and actionable health care reform recommendations that can decrease costs and create value for the State and its citizens in both the near and long term. Savings realized can be invested over time in health improvement strategies that have demonstrated value. Because the recommendations cover the full spectrum of health care programs and policy in the State, different mechanisms will be needed to implement the recommendations. For example, some mechanisms require state legislative or regulatory action, while others may need federal approval, in the form of a waiver.

This report begins with an explanation of the principles of prioritization that guided the work group. Following that are the specific recommendations for four areas: delivery system and payment reforms, prevention, regulatory and legislative initiatives and workforce development. The recommendations are highlighted in boldface in a box at the beginning of each section. Additional details explaining the rationale for the recommendations is in the section of the text that follows each of the recommendations.

## Principles of Prioritization

While many of the options the advisory workgroup considered have demonstrated value, the current economic environment requires choosing among competing priorities. All recommendations in this report align with one or more of the following four principles:

- **Prioritize strategies that reduce administrative duplication, unnecessary services and unwarranted variation in services delivered.** The U.S. health care system wastes between \$600 billion and \$850 billion annually. By decreasing waste, health care costs can be reduced without adversely affecting the quality of care or access to care.
- **Prioritize new payment models that reimburse based on quality and outcomes rather than volume and amount of service provided.** New payment methods are an important step toward permanently changing the payment system into one that incents patient-centered, integrated, efficient and organized systems of care in the future. Currently, health care professionals, hospitals and other health care providers are paid based on the number of services they deliver, not on the quality or

value of services delivered, which in turn fuels inflation in health care costs. Research has shown that more services and higher spending do not result in better outcomes.<sup>1</sup>

- **Prioritize programs and services that yield high health and economic returns on the financial investment, including prevention and wellness.** Some programs yield better health outcomes than others, and some even save the State money. This is particularly true of certain prevention programs that not only keep people healthy but in doing so often reduce or even eliminate the need for more expensive treatment options. Other options, such as promoting generic prescriptions, allow the State to achieve the same outcomes at less cost.
- **Prioritize programs and systems that will be needed to maintain coverage and build capacity in subsidized programs in 2014; avoid dismantling current infrastructure and basic capacities that will be required again in the near future.** Many health reform provisions will take effect in 2014 and demand certain capabilities and infrastructure. Eliminating them now would only require the State to build them all over again in just a few years.

## Cross-Cutting Recommendations

While the specific recommendations are listed below, five important recommendations cannot be confined to a single category. These recommendations cut across all the focus areas and provide the “how” for the rest of the recommendations. These tactics are critically important for the successful implementation of these recommendations and, more broadly, improvement of the State’s health care system. They provide the foundation for the more specific recommendations.

### *Cross-Cutting Recommendations*

- Use the Governor’s bully pulpit and Washington State’s substantial purchasing power to catalyze the spread of innovative delivery and financing and payment changes across the statewide health care delivery system.
- Apply for a rapid, comprehensive Medicaid waiver to break down any federal barriers to implement recommended delivery and financing changes (e.g., payment reform, strategies to reduce waste, pilot of innovative payment strategies for prevention programs and redefinition of mandatory/essential benefits with a focus on health and the economic return on investment of benefits).
- Emphasize prevention as a State priority, both in terms of the public health system and benefits, in order to avoid use of more costly acute care services.
- Use all means to advance transparency of system performance (payers, insurers and those who provide services) to spur improvement and to support innovations in financing, delivery and payment by working with the Puget Sound Health Alliance and engaging other organizations.
- Ensure that the proper resources, including staff, are dedicated to the changes recommended. While we recognize the existing burdens on resources, these recommendations require staff time and investment to ensure that they are properly carried out. Without adequate expertise and dedicated resources, the chances of success will be significantly diminished.

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<sup>1</sup> NRHI Primer on Healthcare Payment Reform: [www.nrhi.org/downloads/NRHI-PaymentReformPrimer.pdf](http://www.nrhi.org/downloads/NRHI-PaymentReformPrimer.pdf).

## Delivery System and Payment Reforms

Our current delivery and payment system is broken. We reward providers for the volume of care they deliver, not the quality of care or outcomes they produce. Washington State needs to realign financial incentives to reward high-value care, reduce inefficiencies, stop unnecessary and wasteful care and improve the health of patients. By rewarding high-value care, the quality and cost of care will improve and efficiencies will be realized, therefore creating immediate and long-term savings to the State. Some of these savings can be invested, over time, in other high-value strategies that promote the health of the entire population.

The recommendations in this section fall into three categories. The first set of recommendations is potential “quick wins”—actions the State can take rapidly and see immediate savings. The second set of recommendations relies upon an investment of some of the savings generated by these quick wins. That investment will yield greater returns, both financially and in health outcomes. Finally, the third set of recommendations relate to partnerships between the State and community-based activities that will yield improvement in value and quality over the long term.

### *Recommendations for immediate savings*

- Implement “generics first” formularies in every state administered insurance program and employ other strategies to make formularies value-based.
- Implement payment strategies to reduce services that are overused and therefore not a good value (e.g., imaging studies and Caesarean sections).
- Restrict payment for clinical services for events that should not occur, such as hospital-acquired infections or preventable hospital readmissions.
- Improve the value of expensive products and services through standardization of contracting processes, selectively contracting with suppliers (e.g., durable medical equipment) and identifying Centers of Excellence (e.g., CABGs).

**Implement “generics first” formularies in every state administered insurance program and employ other strategies to make formularies value-based.** Generics currently account for just 15 percent of drug expenditures while brand drugs account for 85 percent, even though equally effective generics are available in the top 10 drug classes. In Washington’s Medicaid program, the generic fill rate is 72 percent, while that of most health plans is approximately 80 percent. Potential savings from generics are enormous: for every 1 percent improvement in the generic prescribing rate, overall prescription drug spending is reduced by 1 percent.<sup>2</sup> “Generics first” could start with the top six drug classes: proton pump inhibitors, long-acting narcotics, statins, antidepressants, nonsteroidal anti-inflammatory drugs and stimulants for attention deficit hyperactivity disorder. Other strategies to make formularies value-based would examine the cost and effectiveness of drugs compared to similar drugs used to treat the same condition. This approach has the potential to offer critical and effective pharmaceutical coverage at lower costs, with tens of millions of dollars in savings.

**Implement payment strategies to reduce services that are overused and therefore not a good value (e.g., imaging studies and Caesarean sections).** Certain services are subject to overuse, creating waste and increasing risk for patients. Prime examples of these services include advanced imaging technologies and Caesarian sections. The current Caesarian-section rate in Washington State is 32 percent, while the

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<sup>2</sup> Haas JS. Potential Savings from Substituting Generic Drugs for Brand-Name Drugs: Medical Expenditure Panel Survey, 1997–2000. 7 June 2005; 142(11):891-897.

national target is 15 percent.<sup>3</sup> Research shows a 1 percent reduction in Caesarean rates returns \$2-4 million in savings for Medicaid through less expensive delivery charges, and more savings are possible in commercial plans. Outliers among providers—those who significantly overuse or underuse key services—should be especially targeted for intervention.

**Restrict payment for clinical services for events that should not occur, such as hospital-acquired infections and preventable readmissions.** Some medical events should not happen at all. When they do, they also contribute unnecessarily to cost, and the State should not bear the entire burden of the expense. Serious adverse events can and should be prevented. For example, hospital-acquired infections are a leading cause of death to Americans – more than 90,000 Americans die each year from these infections. Approximately 5 to 10 percent of all hospital patients develop infections, which add nearly \$5 billion to the nation's health care bill each year.<sup>4</sup> Similarly, certain preventable readmissions are avoidable and costly. It is estimated that in Washington State, 16.4 percent of Medicare preventable readmissions from all causes are preventable.<sup>5</sup>

**Improve the value of expensive products and services through standardization of contracting processes, selectively contracting with suppliers (e.g., durable medical equipment) and identifying Centers of Excellence (e.g., CABGs).** There is a wide variation in the price/use of expensive products and services. Savings can be achieved if there is a standardized purchasing process based on comparative effectiveness research and if the number of suppliers is directed to those who provide the best value. Identifying Centers of Excellence - preferred places of care that have demonstrated excellence in cost, rates of use and quality for certain procedures, such as coronary artery bypass surgery or transplants - can lead to significant savings.

Savings from the above recommendations can be significant and realized in the short term. A portion of the savings these recommendations generate can be used to invest in additional efforts outlined below that can yield a high return.

***Recommendations where an initial investment in primary care will yield further savings***

- Broadly expand fixed payment systems such as capitation or bundled payments for clearly defined outcomes of primary care service delivery and high-value services, such as maternity support services, family planning and other preventive services.
- Include high-value services in Medicaid benefits package regardless of their current status, such as prescription drugs, maternity support services, family planning and adult dental.
- Accelerate current planning to integrate primary and behavioral health care and care management of patients included in all state administered health insurance programs, including Medicare/Medicaid dual eligibles.

**Broadly expand fixed payment systems such as capitation or bundled payments for clearly defined outcomes of primary care service delivery and high-value services such as maternity support services, family planning and other preventive services.** Implementing different payment strategies such as capitation and bundled payments and publishing process and outcome data to drive innovation are

<sup>3</sup> [http://www.healthypeople.gov/hp2020/Objectives/ViewObjective.aspx?Id=161&TopicArea=Maternal%2c+Infant+and+Child+Health&Objective=MICH+HP2020%e2%80%93936&TopicAreaId=32\)m](http://www.healthypeople.gov/hp2020/Objectives/ViewObjective.aspx?Id=161&TopicArea=Maternal%2c+Infant+and+Child+Health&Objective=MICH+HP2020%e2%80%93936&TopicAreaId=32)m)

<sup>4</sup> [http://www.consumersunion.org/pub/core\\_health\\_care/003178.html](http://www.consumersunion.org/pub/core_health_care/003178.html).

<sup>5</sup> Jencks SF, Williams MV, Coleman EA. Rehospitalizations among patients in the Medicare fee-for-service program. *New England Journal of Medicine*. 2009 Apr 2; 360(14):1418-1428.

ways to incent high-value care, improve patient experiences and significantly reduce the cost of care.<sup>6</sup> For example, some Medicaid beneficiaries are enrolled in fee for service (FFS), where claims are paid for regardless of necessity or outcomes. Savings will most likely be realized by switching from FFS to capitation and/or bundled payments, which reward efficiencies and quality of care.

**Include high-value services in Medicaid benefits package regardless of their current status, such as prescription drugs, maternity support services, family planning and adult dental.** Many optional benefits under Medicaid have a high return on investment and often outstrip the health and savings returns of mandatory services. Even though overall Medicaid services may need to be reduced, the current classification by “optional” and “mandatory” services is a blunt, and even harmful, mechanism for budget-cutting decisions.

**Accelerate current planning to integrate primary and behavioral health care and care management of patients included in all state administered health insurance programs, including of Medicare/Medicaid dual eligibles.** Medicare/Medicaid dual eligibles are known for their high cost and complex health needs. Accelerating current work to integrate primary and behavioral health care and case management will realize higher-quality and more cost-effective care for this vulnerable population more quickly.

The third set of recommendations focuses on community-based collaborations that have a longer term return. By leveraging its partnership with such organizations as the Puget Sound Health Alliance and the Washington Healthcare Forum, the State can help bolster efforts planned or underway that will pay dividends for the entire health care system.

***Recommendations where community-based efforts will yield long-term savings, especially if reinforced by purchasers***

- Employ interventions that go beyond payment reform and delivery system strategies (e.g., shared decision making, feedback to providers on their performance in select services like Caesarean sections).
- Expand measurement and public reporting beyond quality to include resource use and pricing (contracted payment rates between plans and providers), and then use the data to inform innovative contracting and payment and delivery approaches and engage consumers.
- Develop and pilot shared-savings approaches for high performing physicians and other care providers who meet value targets.

**Employ interventions that go beyond payment reform and delivery system strategies (e.g., shared decision making, feedback to providers on their performance in select services like Caesarean sections).** Simple interventions such as giving feedback reports to providers can improve quality and cost performance significantly without incentive payments. Encouraging other purchasers to reinforce these practices will broaden their impact through the entire health care system.

**Expand measurement and public reporting beyond quality to include resource use and pricing (contracted payment rates between plans and providers), and then use the data to inform innovative payment and delivery approaches and engage consumers.** Reporting on health care quality has demonstrated that what gets measured gets managed. Adding data on resource use and pricing, and linking that data to quality, will allow purchasers like the State to identify further areas for improvement in the system as well as provide the information necessary to design programs to address

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<sup>6</sup> The Commonwealth Fund Commission on a High Performance Health System, *The Path to a High Performance U.S. Health System: A 2020 Vision and the Policies to Pave the Way* (New York: The Commonwealth Fund, Feb. 2009).



inefficiencies. It also provides the information necessary to engage consumers to become better informed and more active participants in their own health care.

**Develop and pilot shared-savings approaches for high performing physicians and other care providers who meet value targets.** Shared-savings approaches incent quality care and lower costs by allowing providers to receive a share of the savings they generate after formally assuming responsibility for the cost and quality of health care given to a defined group of patients. Encouraging the development of Accountable Care Organizations (ACOs) or other types of new organizational structures will enable the deployment of new payment approaches.

## Prevention

### *Prevention Recommendations*

- Prioritize evidence-based, high-value *clinical* prevention strategies that yield high health and economic returns and are endorsed by the National Commission on Prevention Priorities (e.g., childhood immunizations, pneumococcal immunizations and smoking cessation advice and assistance).
- Prioritize evidence-based, high-value *community-based* prevention strategies that yield high health and economic returns and are endorsed by the Task Force on Community Preventive Services (e.g., comprehensive tobacco control programs and nutrition and physical activity programs).
- Redesign Washington State's public health system to create a more efficient public health infrastructure with the capacity to implement future health reform opportunities.

Prevention strategies are those that prevent people from getting sick and injured *in the first place* and help keep communities healthy. Investing in prevention and wellness prevents costly and burdensome diseases, improves the overall health and quality of life of our communities, strengthens the productivity of our workforce, enhances our ability to compete nationally and globally and has a measurable financial payoff.

The savings and effectiveness of prevention strategies cannot be realized nor can they be implemented without a proper public health system. Fortunately, an emphasis on prevention and prevention infrastructure are significant and core elements of the recent federal health reform law. As Washington State redesigns its health care delivery and payment systems, it must also support the transformation of its public health system infrastructure to effectively implement and maximize value and savings from prevention strategies and future health care reform opportunities. *An Agenda for Change*, created in the last year by a group of public health officials and experts on how to reshape governmental public health in Washington State, can serve as a roadmap to guide the redesign process.

**Prioritize evidence-based, high-value *clinical* prevention strategies that yield high health and economic returns, and are endorsed by the National Commission on Prevention Priorities (NCP) (e.g., childhood immunizations, pneumococcal immunizations and smoking cessation advice and assistance).** Childhood immunizations, pneumococcal immunizations, and smoking cessation advice and assistance are examples of clinical preventive services recommended by the U.S. Preventive Services Task Force. They are also identified as the top four cost-saving clinical services by the National Commission on Prevention Priorities (NCP), a national group that reviews, identifies and ranks clinical preventive services that make the biggest impact on health and are most cost effective.. Childhood immunizations, for example, have a net medical saving per person per year of approximately \$267.<sup>7</sup>

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<sup>7</sup> Maciosek et al. Greater use of Preventive Services in U.S. Health Care Could Save Lives at Little or No Cost. *Health Affairs*. 2010 September, 29(9):1656–1660.

**Prioritize evidence-based, high-value *community-based* prevention strategies that yield high health and economic returns, and are endorsed by the Task Force on Community Preventive Services (e.g., comprehensive tobacco control programs and nutrition and physical activity programs).**

Comprehensive tobacco control programs and nutrition and physical activity programs are endorsed by the Task Force on Community Preventive Services as high-value, highly effective evidence-based community based strategies. They directly target and lessen the burden of leading and costly epidemics such as heart disease, obesity and diabetes, and in turn put less demand of our health care delivery system when acute care is needed.

**Redesign Washington State’s public health system to create a more efficient public health system with the capacity to implement future health reform opportunities.** An *Agenda for Change* contains important ideas about how Washington can transform its public health system infrastructure to effectively implement and maximize value and savings from prevention strategies and position it to implement future health care reform opportunities. As Washington begins to implement these changes, it is important for the State to keep core capacities intact and avoid dismantling current infrastructure that will be required again in the near future.

## **Regulatory/Legislative**

- Streamline and simplify enrollment and eligibility for Medicaid, Basic Health Plan and other public Exchange products by implementing a “no wrong door” policy and using a simple common application process.
- Examine state laws that contribute to costs for possible revisions or amendment (e.g., “every category of provider,” mandated benefits, provider scope of practice).
- Identify changes in the liability law to support evidence-based medicine and patient safety.
- Enable payment reforms by active state action exemption and state oversight.

There are some regulatory and legislative actions that have the potential to improve the quality of care, control costs and increase system efficiency in the short and long term. A number of current regulations and laws may inadvertently be contributing to rising costs. In addition, future regulatory issues, including the policy and strategy for Washington State’s Health Insurance Exchange, can have a significant impact if designed to encourage and reward competition and choice based on quality and value. While we have not examined Office of the Insurance Commissioner (OIC) insurance reform strategies and structures, we assume that the State is focused on such issues as the design of structure for the Health Insurance Exchange and a review of the insurance code to ensure that it will match the ACA requirements when they are implemented.

**Streamline and simplify enrollment and eligibility for Medicaid, Basic Health Plan and other public Exchange products by implementing a “no wrong door” policy and using a single common application process.** Investing in efficient technology investments will create a coordinated, consumer-oriented system for individuals and generate savings for the State.

**Examine state laws that contribute to costs for possible revisions or amendment (e.g., “every category of provider,” mandated benefits, provider scope of practice).** The current State law mandates that insurance carriers provide access to all types of health care providers licensed or certified under state law, a requirement that can at times be at odds with an emphasis on high-value, evidence-based care. Reviewing the State’s mandates on health insurance in light of their value and effectiveness and examining laws or impediments that prevent non-physician providers from practicing to the best of their capabilities, while ensuring they meet appropriate standards, could also yield savings and improve patient access to care.

**Identify changes in the liability law to support evidence-based medicine and patient safety.**

Physicians and other care providers who provide care within the parameters of evidence-based medicine should have liability safe harbors. Identifying how the law can be changed while preserving the rights of both providers and patients has the potential to reduce the waste associated with defensive medicine. One possible approach is being led by the Washington Healthcare Forum, which is coordinating with various hospitals and carriers on a one-year planning grant from the Agency for Healthcare Research and Quality to develop a comprehensive plan for implementing an integrated medical liability and patient safety program.

**Enable payment reforms by state action exemption and state oversight.** Multi-payer payment reform initiatives, such as the current medical home pilot co-sponsored by the State and the Alliance, require swift state action exemption and oversight to address antitrust concerns.

## Workforce Development

- Prioritize state education expenditures and other workforce investments so that they go where needs are, by specialty and geography with special attention to rural areas of need.
- Increase payment for primary care services in the context of accountable practices and systems.
- Maximize use of federal funds and programs to develop additional primary care capacity and to address workforce planning.
- Support efforts to address educational system efficiency and capacity.

Prior to health reform, a workforce shortage across a wide range of health professionals— medical, dental, and behavioral services—has been a rising and challenging issue, both nationally and in Washington State. The shortages are structural rather than cyclical due to demographic changes as the number of baby boomers increases exponentially over the next fifty years. At the same time, a large number of health professionals are retiring or approaching retirement age. Due to educational and financial barriers, it has been challenging to recruit and retain health professionals in general, and particularly in rural areas. This creates a serious problem for a variety of reasons: under health reform, more people will have access to care; the health insurance mandate starts in 2014; the aging population will need more health care; people are living longer; and hospitals and clinics are expanding.

However, workforce development is a key issue in ACA, providing numerous opportunities for current and future health professionals and education institutions in Washington State. As individuals and entities pursue ACA opportunities, Washington State's main role should be to provide support and collaborate with key partners and stakeholders as to maximize opportunities and federal funding.

Below are four workforce recommendations. Taken together, these recommendations aim to improve access by increasing the supply of needed workers, increase efficiency and effectiveness by encouraging systems redesign, and utilize Washington's existing primary care workforce more efficiently.

Unlike most of the recommendations in this report, the workforce recommendations are long-term in nature, in terms of when the pay-off will be realized. However, investments in our workforce need to occur now.

**Prioritize state education expenditures and other workforce investments so that it goes where needs are, by specialty and geography with special attention to rural areas of need.** Workforce demand and financial needs differ throughout Washington, especially in rural areas of the state. Extra funding and creating incentives to steer qualified individuals to positions of need will alleviate a number of workforce issues.

**Increase payment for primary care services in the context of accountable practices and systems.**

Right now some health care professionals provide high-value quality care using non-traditional delivery approaches such as phone call, e-mail and tele-medicine, yet those services are not reimbursed appropriately. If the payment were based on a “per population” model, or a bundled payment model, a wider variety of personnel could comprise a health care delivery team, and therefore a wider pool of currently non-traditional staff could be recruited.

**Maximize use of federal funds and programs to develop additional primary care capacity and to address workforce planning.** There are many workforce provisions in ACA supported by federal funds that strengthen primary care capacity and incent workforce planning that Washington State should leverage

**Support efforts to address educational system efficiency and capacity.** There are many ways Washington can support efficiency and capacity of the workforce educational system. Examples include: increase capacity for education programs that prepare lower-cost, mid-level providers such as nurse practitioners and physician assistants; encourage more graduate nursing students to pursue careers in nursing education by increasing loan forgiveness for nursing graduates that become nursing faculty; provide incentives for colleges and universities to create and expand online health care education and vocational training programs that can increase capacity, expand access to education, reduce cost, and improve quality of instruction; and fund a clinical education coordination system that can increase nursing and other allied health capacity.

## **Conclusion**

Implementing the recommendations outlined above will not be easy. However, the workgroup has been buoyed by the awareness that other efforts independent of this one, including the work by the Governor’s staff on transforming health care, are in accord with these recommendations, indicating that we are on the right course.

The recommendations in this report reflect the current fiscal reality facing the State but also the opportunities to transform the current health care system. . They involve making hard choices about priorities among programs and policies that affect the health of the citizens of the State. However, the ultimate aim of these recommendations is to have a beneficial effect by increasing quality and value in the health care system in the State wherever possible. The current crisis is a chance to jumpstart broader healthcare reform in both the larger public and private healthcare system in Washington State. The Governor and the State can provide the leadership to ensure that such reform becomes a reality.